

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 24, 2008  
**COUNCIL DISTRICT(S):** 1, 2, 3, 4, 5, 6, 7, 8  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 43 44 45 46 47 55 56 65 66

---

### **SUBJECT**

Authorize the redesignation of seven census tracts comprising three Neighborhood Investment Program target areas and the designation of ten census tracts comprising two additional Neighborhood Investment Program target areas for a minimum of two years, beginning October 1, 2008 - Financing: No cost consideration to the City

### **BACKGROUND**

On February 26, 2003, the City Council approved the Neighborhood Investment Program (NIP) to focus and leverage housing and other city resources in designated Community Development Block Grant (CDBG) target areas/neighborhoods. Five census tracts including CT 101.01 (West Dallas), CT 25.00 (South Dallas/Jubilee), CT 39.02 (South Dallas/Ideal), CT 49.00 (Oak Cliff) and CT 89.00 (Oak Cliff), were designated as NIP target areas for a two-year period, beginning October 1, 2003.

On September 28, 2005, the City Council voted to re-designate three NIP target areas comprising seven census tracts by expanding CT 101.01 to include 101.02 (West Dallas), CT 25.00 to include 27.01 and 27.02 (South Dallas/Jubilee-Frazier), and CT 39.02 to include 115.00 (part) (South Dallas/Ideal-Rochester Park). These neighborhoods were designated as NIP target areas for a three-year period, beginning October 1, 2005.

As briefed to the City Council Housing Committee, the NIP-III strategy/plan is designed to maximize city investment and complete implementation of ongoing projects in existing NIP target areas. The NIP-III strategy/plan also includes the addition of two target areas that will connect redevelopment efforts in North Oak Cliff between Lake Cliff and Bishop Davis, and support transit-oriented development opportunities along the Lancaster Corridor. These additional NIP target areas directly support Southern Sector redevelopment efforts.

## **BACKGROUND (Continued)**

As such, this City Council action will:

Redesignate the three existing NIP target areas:

CT's 101.01, 101.02 (West Dallas)

CT's 25.00, 27.01 and 27.02 (South Dallas/Jubilee-Frazier), and

CT's 39.02 and 115.00 (part) (South Dallas/Ideal-Rochester Park)

Designate two new NIP target areas

CT's 55.00 (part), 57.00, 87.04 (part), 87.05 (part), 88.01 (part), 88.02 (part),  
113.00 (part), 114.01 (part) (Lancaster Corridor)

CT's 20.00 (part) and 48.00 part (Oak Cliff-Marsalis)

These census tracts will be designated for a minimum of two years, beginning October 1, 2008.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On February 26, 2003, the City Council approved selection criteria that designated certain census tracts (CT 25.00, CT 39.02, CT 101.01, CT 49.00 and CT 89.00) as NIP target areas for a two-year period, beginning October 1, 2003 by Resolution No. 03-0830.

On September 28, 2005, the City Council voted to re-designate three NIP target areas by expanding CT 101.01 to include 101.02, CT 25.00 to include 27.01 and 27.02, and CT 39.02 to include 115.00 (part) for a three-year period, beginning October 1, 2005 by Resolution No. 05-2795.

On January 22, 2008, the Housing Committee was briefed on the status of NIP target area CT's 25.00, 27.01, and 27.02.

On February 4, 2008, the Housing Committee was briefed on the status of NIP target area CT's 39.02 and 115.00 (part).

On March 3, 2008, the Housing Committee was briefed on the status of NIP target area CT's 101.01 and 101.02.

On April 7, 2008, the Housing Committee was briefed on recommendations for future NIP initiatives.

On May 13, 2008, the Community Development Commission Housing Committee was briefed on the proposed NIP target areas and future initiatives.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions) (continued)**

On August 18, 2008, the Housing Committee was briefed on the proposed NIP-III strategy which calls for the redesignation of seven census tracts comprising three existing Neighborhood Investment Program target areas and the designation of ten census tracts comprising two additional Neighborhood Investment Program target areas that support Southern Sector redevelopment efforts. The Committee recommended approval of the proposed recommendations.

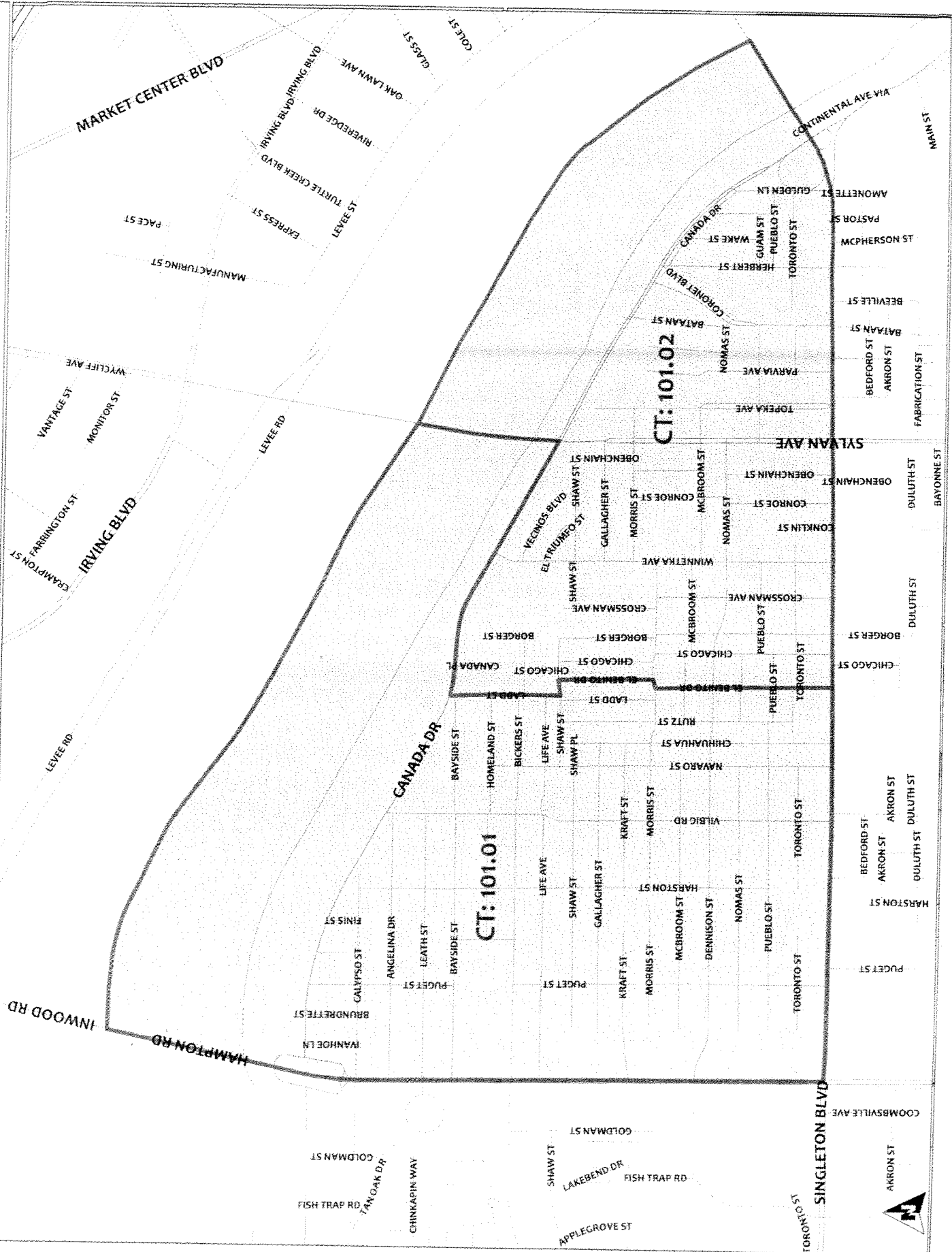
**FISCAL INFORMATION**

No cost consideration to the City

**MAP(S)**

Attached

# CENSUS TRACT - 101.01 & 101.02



INWOOD RD

HAMPTON ST

MARKET CENTER BLVD

IRVING BLVD

IRVING BLVD

CANADA DR

CT: 101.02

CT: 101.01

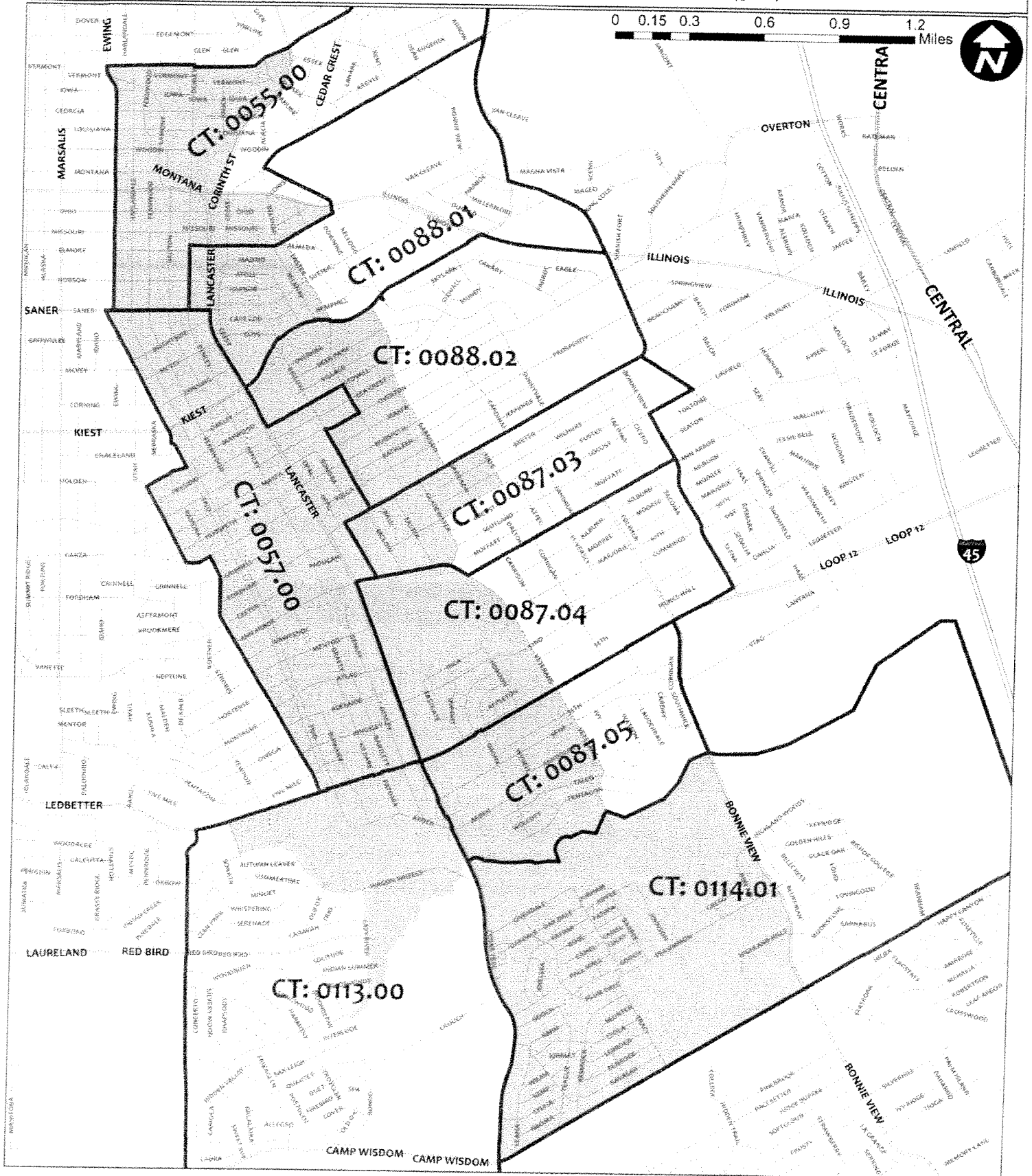
SINGLETON BLVD



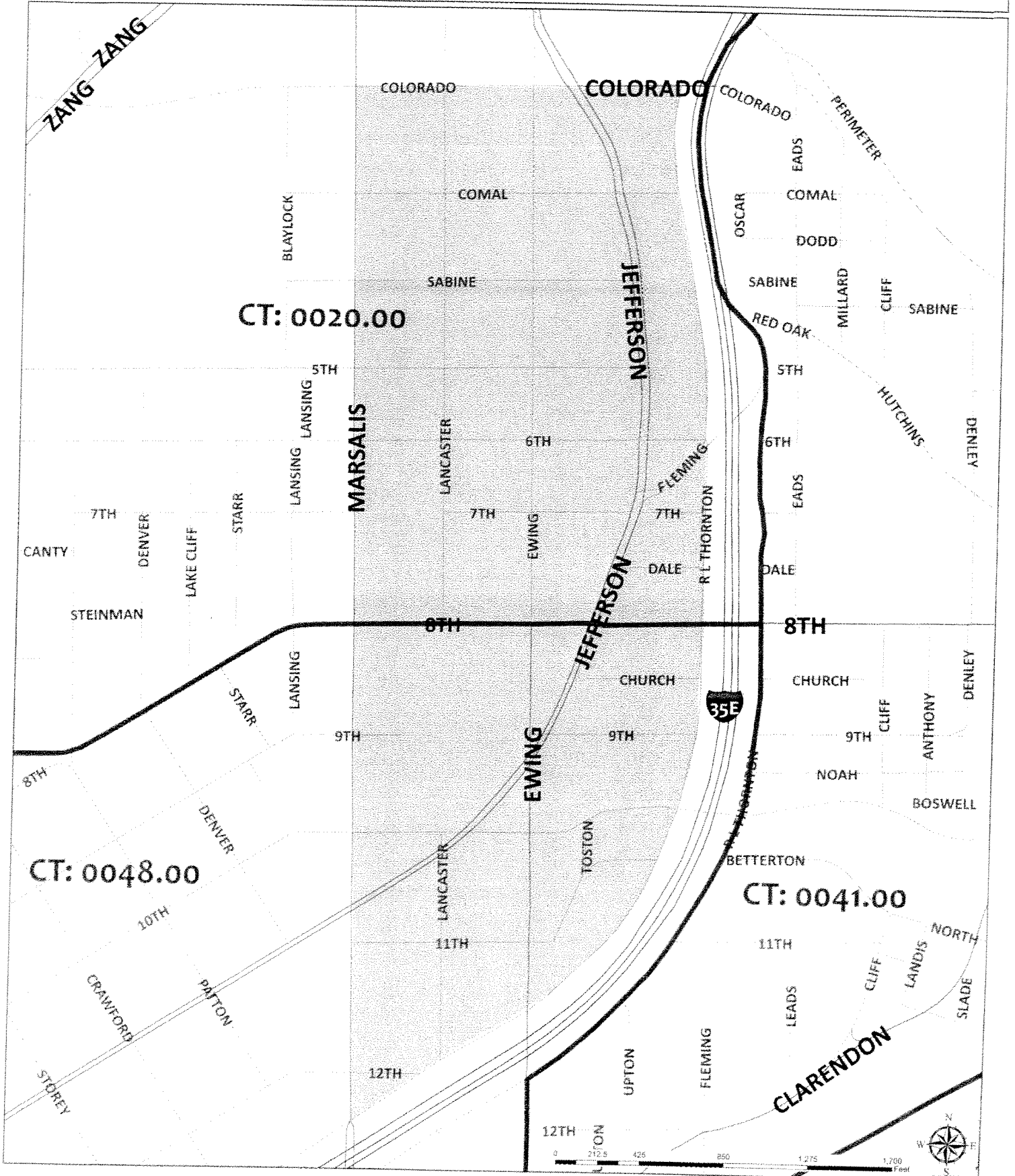




**CENSUS TRACT - 55.00 (pt.); 57.00; 87.03 (pt.); 87.04 (pt.); 87.05 (pt.); 88.01 (pt.); 88.02 (pt.); 113.00 (pt.) & 114.01 (pt.)**



# CENSUS TRACT - 20.00 (pt.) & 48.00 (pt.)



CT: 0020.00

CT: 0048.00

CT: 0041.00





September 24, 2008

**WHEREAS**, on February 26, 2003, by Resolution No. 03-0830, the City Council approved a selection criteria that designated certain census tracts (CT 25.00, CT 39.02, CT 101.01, CT 49.00 and CT 89.00) as NIP target areas for a two year period, beginning October 1, 2003; and

**WHEREAS**, on September 28, 2005, by Resolution No. 052795, the City Council approved the redesignation of three NIP target areas by expanding CT 101.01 to include 101.02, CT 25.00 to include 27.01 and 27.02, and CT 39.02 to include 115.00 (part) for a three-year period, beginning October 1, 2005; and

**WHEREAS**, on January 22, 2008, the Housing Committee was briefed on the status of NIP target area CT's 25.00, 27.01 and 27.02; and

**WHEREAS**, on February 4, 2008, the Housing Committee was briefed on the status of NIP target area CT's 39.02 and 115.00 (part); and

**WHEREAS**, on March 3, 2008, the Housing Committee was briefed on the status of NIP target area CT's 101.01 and 101.02; and

**WHEREAS**, on April 7, 2008, The Housing Committee was briefed on recommendations for future NIP initiatives; and

**WHEREAS**, on May 13, 2008, the Community Development Commission Housing Committee was briefed on the proposed NIP target areas and future initiatives; and

**WHEREAS**, on August 18, 2008, the Housing Committee was briefed on the proposed NIP-III strategy which calls for the redesignation of seven census tracts comprising three existing Neighborhood Investment Program target areas and the designation of ten census tracts comprising two additional Neighborhood Investment Program target areas; and

**WHEREAS**, the City Council desires to redesignate: CT 25.00, CT 27.01, CT 27.02 (South Dallas-Jubilee/Frazier), CT 39.02, 115.00 (part) (South Dallas-Ideal/Rochester), CT 101.01, 101.02 (West Dallas), and designate CT 55.00 (part), CT 57.00, CT 87.04 (part), CT 87.05 (part), CT 88.01 (part), CT 88.02 (part), CT 113.00 (part), CT 114.01 (part) (Lancaster Corridor) and CT 20.00 (part) and CT 48.00 (part) (Oak Cliff-Marsalis) as Neighborhood Investment Program target areas for a minimum of two years, beginning October 1, 2008; **NOW, THEREFORE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

September 24, 2008

**SECTION 1.** That the following census tracts be designated as Neighborhood Investment Program target areas for a minimum of two years, beginning October 1, 2008: CT 25.00, CT 27.01, CT 27.02, CT 101.01, CT 101.02, CT 39.02, CT 115.00 (part), CT 55.00 (part), CT 57.00, CT 87.04 (part), CT 87.05 (part), CT 88.01 (part), CT 88.02 (part), CT 113.00 (part), CT 114.01 (part), CT 20.00 (part) and CT 48.00 (part) .

**SECTION 2.** That within two years from the effective date of this Resolution, the Dallas City Council will review the development needs of each target area and determine whether to extend the target area's designation.

**SECTION 3.** That the City Manager be authorized to initiate planning and other activities to implement the Neighborhood Investment Program in CT 25.00, CT 27.01, CT 27.02, CT 101.01, CT 101.02, CT 39.02, CT 115.00 (part), CT 55.00 (part), CT 57.00, CT 87.04 (part), CT 87.05 (part), CT 88.01 (part), CT 88.02 (part), CT 113.00 (part), CT 114.01 (part), CT 20.00 (part) and CT 48.00 (part).

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 24, 2008  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 47N

---

**SUBJECT**

Authorize an amendment to Resolution No. 08-0595, previously approved on February 20, 2008, authorizing the execution of an economic development loan agreement with South Dallas/Fair Park Innercity Community Development Corporation to add the following addresses for acquisition of improved and unimproved properties: 4700-4900 block of Brashear Street, 2800-3000 block of Troy Street and 4900 block of Hatcher Street – Financing: No cost consideration to the City

**BACKGROUND**

Over the period of 2003-2008, master planning, leveraging of capital investments, public/private developments, and redevelopment has begun in the Frazier Neighborhood Investment Program (NIP) Area. In order to implement components of the master plan, catalyst projects for new private/public development and redevelopment have been considered by the City Council on an individual basis.

One of the key Frazier Neighborhood community stakeholders, South Dallas/Fair Park Innercity Community Development Corporation (ICDC), who is a certified Community Housing Development Organization (CHDO), proposed to work with the City of Dallas to undertake the Spring Avenue Revitalization which is a component of the master plan.

On February 20, 2008, City Council Resolution No. 08-0595 authorized the execution of an economic development loan agreement with ICDC to begin acquisition of improved and unimproved properties, address any relocation issues, address environmental remediation, and demolish existing improvements in order begin revitalization efforts. Since that time, ICDC has executed a contract with the City of Dallas in the amount of \$500,000 for the 4700- 4900 blocks of Spring Avenue. Sites are to be acquired for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment.

## **BACKGROUND (continued)**

This action will expand the boundaries for ICDC's project of revitalization to 4700-4900 block of Brashear Street, 2800-3000 block of Troy Street and 4900 block of Hatcher. All properties are located within the Neighborhood Investment Program (NIP) Frazier Redevelopment Area and they are part of the master plan for the area. All acquisitions are expected to be complete by 2011.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years, beginning October 1, 2003.

On September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005.

On August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements.

On December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas.

On January 22, 2008, the Housing Committee of the City Council was briefed on the Frazier Neighborhood Investment Area and the Spring Avenue Revitalization Project.

On February 20, 2008, the City Council authorized the execution of an economic development loan agreement with South Dallas/Fair Park Innercity Community Development Corporation (ICDC) for the acquisition of improved and unimproved properties, located within the 4700-4900 block of Spring Avenue and associated relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment by Resolution No. 08-0595.

## **FISCAL INFORMATION**

No cost consideration to the City

**OWNERS**

**South Dallas/Fair Park  
Innercity Development Corporation**

Diane Ragsdale, Executive

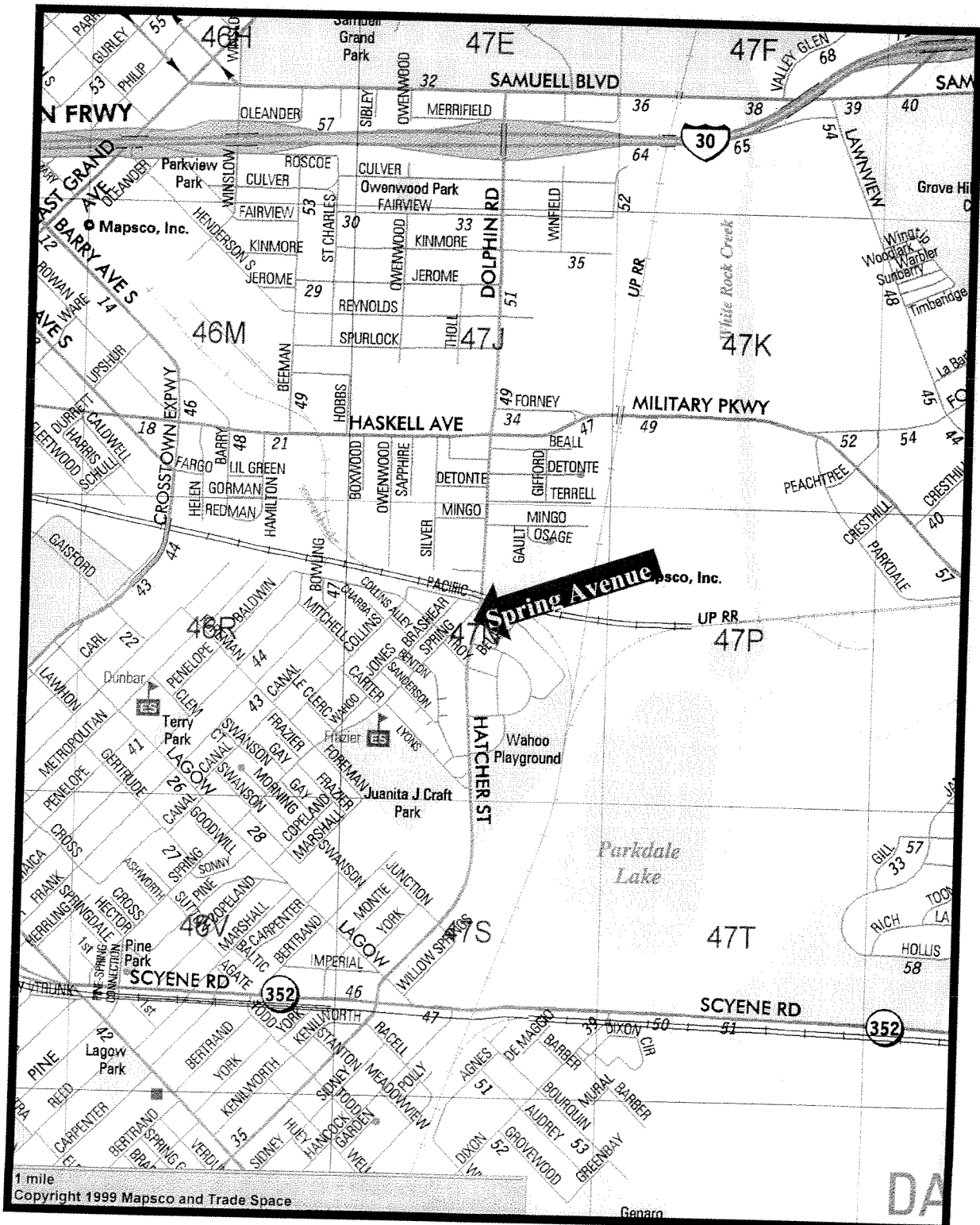
**DEVELOPER**

**South Dallas/Fair Park  
Innercity Development Corporation**

Diane Ragsgale, Executive Director

**MAP(S)**

Attached



**MAPSCO 47N**

September 24, 2008

**WHEREAS**, the City of Dallas seeks to increase the supply of new affordable workforce housing in order to attract and retain economic growth; and

**WHEREAS**, on February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003; and

**WHEREAS**, on September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005; and

**WHEREAS**, on August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements; and

**WHEREAS**, On November 7, 2006, the voters of Dallas approved a \$1.35 billion General Obligation Bond Program of which \$41,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development.

**WHEREAS**, on December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas; and,

**WHEREAS**, on January 22, 2008, the Housing Committee of the City Council was briefed on the Frazier Neighborhood Investment Area and the Spring Avenue Revitalization Project; and

**WHEREAS**, on February 20, 2008, the City Council authorized the execution of an economic development loan agreement with South Dallas/Fair Park Inncity Community Development Corporation (ICDC) for the acquisition of improved and unimproved properties located within the 4700-4900 block of Spring Avenue and associated relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment; and by Resolution No. 08-0595,

**WHEREAS**, South Dallas/Fair Park Inncity Community Development Corporation (ICDC) has executed a contract with the City of Dallas in the amount of \$500,000 for the Spring Avenue Revitalization Project; **NOW, THEREFORE**,

September 24, 2008

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 08-0595, previously approved on February 20, 2008, authorizing the execution of an economic development loan agreement with South Dallas/Fair Park Innerscity Community Development Corporation (ICDC) to add the following addresses for acquisition of improved and unimproved properties: 4700-4900 block of Brashear Street, 2800-3000 block of Troy Street and 4900 block of Hatcher Street.

**SECTION 2.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN



**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 24, 2008  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 56G

---

**SUBJECT**

Authorize acquisition of a parcel improved with an occupied commercial structure at 6407 Municipal Street and a parcel improved with an occupied single-family residence at 6306 Canaan Street for the proposed Bexar Street Redevelopment Project which is being implemented as part of the Neighborhood Investment Program (list attached) - \$81,000 including estimated closing costs - Financing: 2006 Bond Funds

**BACKGROUND**

This item authorizes the acquisition of an occupied commercial structure at 6407 Municipal Street for \$55,000 and a parcel improved with an occupied single-family residence at 6306 Canaan Street for \$22,000. The acquisitions will be used for the proposed Bexar Street Redevelopment Project which is being implemented as part of the Neighborhood Investment Program - Census Tract 39.02. The total consideration of \$77,000 is based upon independent appraisals. Closing costs are estimated to be approximately \$2,000 for each property.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

This item has no prior action.

**FISCAL INFORMATION**

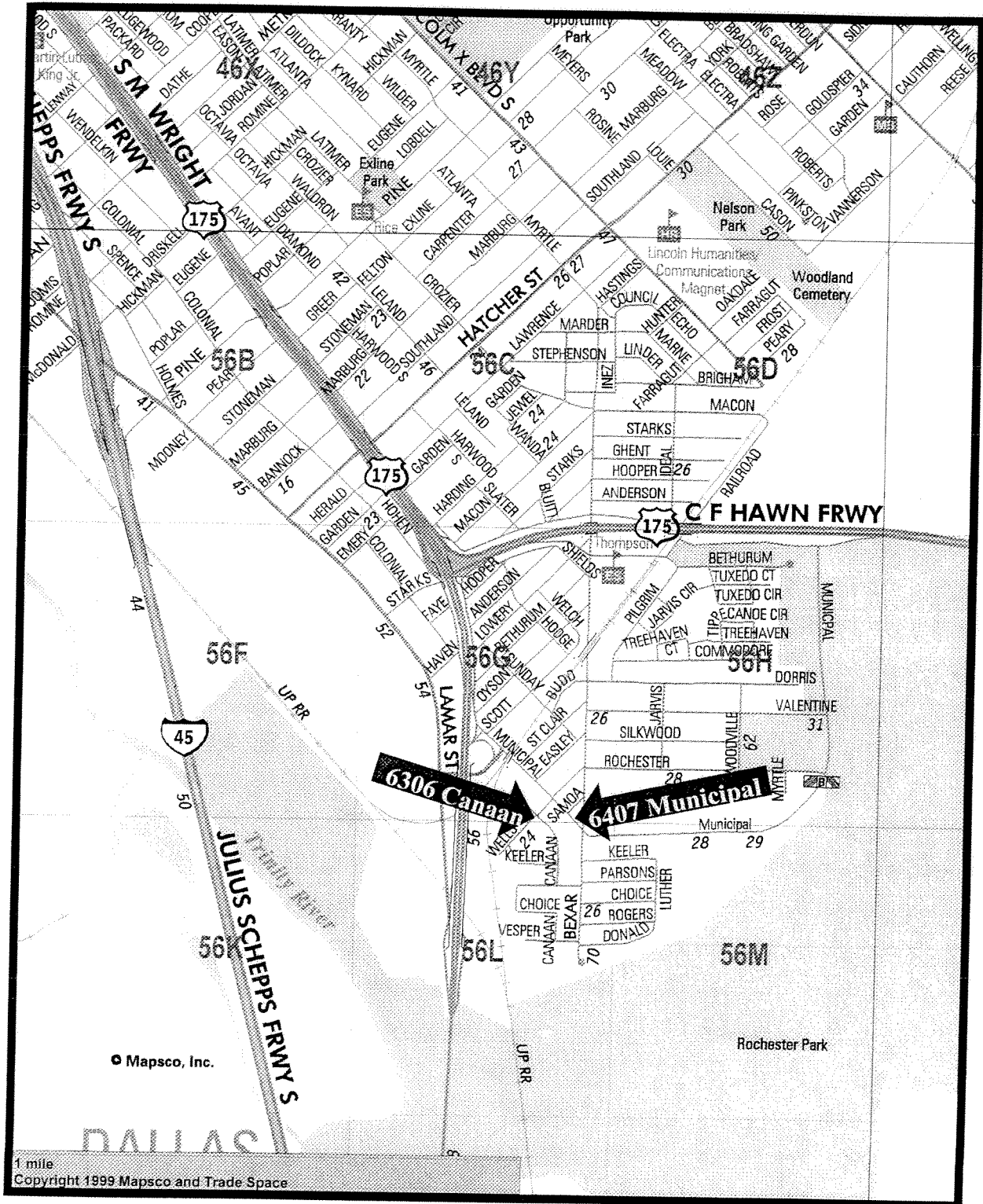
2006 Bond Funds - \$81,000 including estimated closing costs

**MAP**

Attached

## Bexar Street Redevelopment Project

<u>Parcel No.</u>	<u>Owner</u>	<u>Property Address</u>	<u>Offer Amount</u>	<u>Mapsco</u>	<u>Council District</u>
A46	Willis V. Johnson	6407 Municipal Street	\$55,000	56G	7
A48	Inez Jones	6306 Canaan Street	\$22,000	56G	7



**MAPSCO 56G**

September 24, 2008

**BE IT RESOLVED BY THE DALLAS CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That for the purposes of this resolution, the following definitions of terms shall apply:

"CITY": The City of Dallas.

"PROJECT": Bexar Street Redevelopment Project as part of the Neighborhood Investment Program - Census Tract 39.02.

"PROPERTY": Described in Exhibit A, attached hereto and made a part hereof for all purposes.

"PROPERTY INTEREST": Fee Simple

"OWNER(S)" and "OFFER AMOUNT": Described in Exhibit A, attached hereto and made a part hereof for all purposes.

**SECTION 2.** That it is hereby determined that public necessity requires that the CITY should acquire the PROPERTY INTEREST under, over and across the PROPERTY necessary for the PROJECT.

**SECTION 3.** That the PROPERTY is hereby determined to be necessary for the PROJECT. That for the purpose of acquiring the PROPERTY INTEREST, the Director of Development Services, or such employee as she may designate, is hereby authorized and directed to offer the OFFER AMOUNT as payment for the PROPERTY to be acquired and full damages allowable by law, which amount represents its fair cash market value.

**SECTION 4.** That the CITY determines to appropriate the PROPERTY INTEREST under, over and across the PROPERTY for the PROJECT under the provisions of the Charter of the City of Dallas.

**SECTION 5.** That in the event the OWNER accepts the OFFER AMOUNT as authorized herein, the City Controller is authorized to draw a warrant in favor of the OWNER, or the then current owner of record, in the OFFER AMOUNT payable from the funding as shown below, for the properties shown on Exhibit A.

September 24, 2008

**SECTION 5. (continued)**

Republic Title of Texas

VENDOR # 342843

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>ACTIVITY</u>	<u>PROGRAM#</u>	<u>AMOUNT</u>
7T52	HOU	T807	4210	ADQM	HOUBEXAR01	\$77,000

CT  
HOUT807K118

**SECTION 6.** That the CITY is to have possession of the PROPERTY at closing; and the CITY will pay any title expenses and closing costs in an estimated amount of \$4,000.

Republic Title of Texas

VENDOR # 342843

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>ACTIVITY</u>	<u>PROGRAM#</u>	<u>AMOUNT</u>
7T52	HOU	T807	4210	ADQM	HOUBEXAR01	\$4,000

CT  
HOUT807K118

**SECTION 7.** That the term OWNER in this resolution means all persons having an ownership interest in the PROPERTY regardless of whether those persons are actually named in Section 1. In the event of a conflict between this section and Section 1, this section controls.

**SECTION 8.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

EXHIBIT A

Bexar Street Redevelopment Project

<u>Parcel No.</u>	<u>Owner</u>	<u>Property Address</u>	<u>Offer Amount</u>	<u>Mapscos</u>	<u>Council District</u>
A46	Willis V. Johnson	6407 Municipal Street	\$55,000	56G	7
A48	Inez Jones	6306 Canaan Street	\$22,000	56G	7

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** September 24, 2008  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

---

### **SUBJECT**

Authorize approval of **(1)** a Permanent Supportive Housing Program Statement and 5-year plan endorsing city-wide implementation for the creation of 700 Permanent Supportive Housing (PSH) units for chronically homeless individuals; and **(2)** use of Community Development Grant (CDBG), HOME Funds, General Obligation Bonds and Certificates of Obligation to fund project gap requirements to the extent permissible from each funding source - Financing: No cost consideration to the City

### **BACKGROUND**

The development of Permanent Supportive Housing and the support services that are required for the low-income tenants continues to be a priority for the Metro Dallas Homeless Alliance (MDHA), Corporation for Supportive Housing and the City of Dallas. To that end, Permanent Support Housing (PSH) Steering Committee and City staff from Environment and Health Services and Housing Departments have developed a strategy to address our community needs and the provision of housing and services to chronically homeless individuals.

Through a series of meetings the PSH Committee has developed a 5-year plan with the goal of increasing the number of PSH units in the City of Dallas by 700 by year 2014 and has outlined potential costs to the City based upon project models.

On August 18, 2008, the Housing Committee recommended the approval of the Program Statement and the five-year plan. The attached Program Statement to implement the 5-year plan incorporates policies and procedures for the financing and the determination of eligibility and development of the 700 PSH units. The 700 units include rent for 200 additional leased units that will be paid through the HUD Special Needs Voucher Program presently committed by the Dallas Housing Authority. Leasing 200 existing units carries no occupancy cost due to HUD vouchers being made available.

## **BACKGROUND (continued)**

The development of 500 new units will have a funding gap to build, depending on the type of financing structure that is used, and will require rental subsidies. Tenants, once qualified for the program can spend no more than 30% of their income on rent plus utilities.

The financial models used assume a 100% tax abatement based upon an ownership of the new units by either an Limited Liability Corporation (LLC) of the Dallas Housing Authority or an LLC of the Dallas Housing Finance Corporation. The funding gap, in current dollars, to build the 500 new units would range from \$7.2M (all 9% tax credits) to \$18M (all 4% tax credits) depending on the mix of available financing including conventional. The plan also requires city-wide implementation based on land availability and cost. The City will be expected to fund the majority of the gap financing with CDBG, HOME funds, GO Bonds or Certificates of Obligation (CO) to the extent permissible from each funding source. GO Bond projects will be considered as part of an economic development initiative project area, while COs will be used for public works components in project initiatives where the City will own the improvements. As the program is developed and projects are identified City staff will return to Council with a financing plan to seek the Council's approval on a project-by-project basis.

The PSH support services also assume an \$8,000 cost built into the service investment per person. These costs are based on the needs of the clients; some will need more, others less. Support services will come from the following potential funding sources and may include; Medicaid, City of Dallas, Philanthropy, and Supportive Housing Program Continuum of Care. Other public contributions could include NorthStar Behavioral Health, Department of Labor – Job Training, Veteran's Administration, Health, Resources and Services Administration (HRSA), and Substance Abuse and Mental Health Services Administration (SAMHSA). Assuming that 140 units per year, for 5 years, are placed into service at a cost of \$8,000 per unit; it would carry a total cost of approximately \$16.8 Million.

The Plan includes a Dallas area interagency work group led by Metro Dallas Homeless Alliance (MDHA) to further design, implement and finance the PSH plan through intergovernmental collaborations with Housing Authority, Mental Health Agencies and MDHA. It includes development of a program of neighborhood education regarding benefits and myths related to PSH. MDHA will provide the materials and tailor the program to each individual Council District. It also includes, development of a collaborative legislative agenda among City of Dallas, Dallas County and Dallas County Medical District to increase state funding for PSH in Dallas and selected statewide efforts for tax credit improvements and related issues.



**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On August 18, 2008, the Housing Committee was briefed on the Permanent Supportive Housing Program Statement and 5-year Plan.

On September 8, 2008, the Quality of Life Committee was briefed on the Permanent Supportive Housing Program Statement and 5-year plan.

**FISCAL INFORMATION**

No cost consideration to the City.

September 24, 2008

**WHEREAS**, the development of Permanent Supportive Housing (PSH) and the support services continues to be a high priority for the City of Dallas; and

**WHEREAS**, on November 7, 2006, the voters of Dallas approved a \$1.35 Billion General Obligation Bond Program of which \$41,495,000 was set-aside for the purpose, among others, of providing funds for promoting economic development in the Southern Sector area of the City; and

**WHEREAS**, the City of Dallas desires to provide residential development opportunities as part of economic development projects that include mixed-used, mixed-income and retail and commercial master plans; and

**WHEREAS**, the PSH committee composed of Metro Dallas Homeless Alliance (MDHA), Corporation for Supportive Housing and the City of Dallas representatives have developed a 5-year plan with the goal of increasing the number of PSH units in the City of Dallas by 700 by 2014 and outlined potential costs to the City based upon project models; and

**WHEREAS**, on August 18, 2008 the Housing Committee was briefed on the Permanent Supportive Housing Program five year plan; and

**WHEREAS**, on September 8, 2008, the Quality of Life Committee was briefed on the Permanent Supportive Housing Program Statement and 5-year plan.

**WHEREAS**, the City of Dallas desires to provide rental housing opportunities to chronically homeless individuals through the use of financing for the construction of Single Room Occupancy (SROs) and multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds, conventional or other financing methods that meet project needs; and

**WHEREAS**, the City of Dallas will require that project financing for SRO and Multifamily construction also include provisions for the cost of providing supportive services for chronically homeless individuals to provide an estimated \$8,000 per person per year in supportive services for the residents; and

**WHEREAS**, the City of Dallas desires to approve (1) a Permanent Supportive Housing Program Statement and 5-year plan endorsing city-wide implementation for the creation of 700 PSH units for chronically homeless individuals, and (2) use CDBG and HOME funds, General Obligation Bonds for residential development as part of an economic development initiative project area and Certificates of Obligation to fund public improvement developments that the City will own. Funding will be used for their approved purposes and to the extent permissible to fund project gap requirements;  
**NOW THEREFORE**,

September 24, 2008

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS.**

**SECTION 1.** That the City Manager, or his designee, is authorized to implement the procedures contained in the PSH Program Statement attached as "Attachment A" in furtherance of the City's public purpose approving 1) a Permanent Supportive Housing Program Statement and 5-year plan endorsing city-wide implementation for the creation of 700 PSH units for chronically homeless individuals, and (2) use CDBG and HOME funds, General Obligation Bonds for residential development as part of an economic development initiative project area and Certificates of Obligation to fund public improvement developments that the City will own. Funding will be used for their approved purposes and to the extent permissible to fund project gap requirements.

**SECTION 2.** That proposed project financing for SRO and Multifamily construction must include provisions for the cost of providing supportive services for chronically homeless individuals to provide an estimated \$8,000 per person per year in supportive services for the residents .

**SECTION 3.** That, upon approval as to form by the City Attorney, the City Manager is authorized to execute all documents necessary for implementing procedures as set forth in the Permanent Supportive Housing Program Statement including, but not limited to: deeds, release of liens, releases of reverter interests, and deed restrictions.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage, in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department

City Attorney's Office

Office of Financial Services/Community Development, 4FN

## ATTACHMENT A

### PROGRAM STATEMENT PERMANENT SUPPORTIVE HOUSING PROGRAM (PSH)

**Program Purpose:** To provide permanent supportive housing opportunities to chronically homeless individuals and to strive to achieve the goals of the Five- Year Plan (PLAN) to create 700 Permanent Supportive Housing units for chronically homeless individuals endorsing city-wide implementation based on land availability and cost.

Out of the 700 units:

200 additional lease unit's rent will be paid through the HUD Special Needs Voucher Program presently committed by the Dallas Housing Authority

500 new units will have a funding gap to build depending on the type of financing structure that is used and will require rental subsidies

#### **Client Profile: Chronically Homeless Individuals**

A chronically homeless person is defined as 1) an unaccompanied homeless individual, 2) with a disabling condition, 3) either continuously homeless for a year or more OR at least 4 episodes of homelessness in three years, and 4) must have been sleeping in a place not meant for human habitation, (e.g. living on the streets) and or in emergency homeless shelters during that time

**Program Description:** PSH Program provides guidance in the implementation and development of the 700 PSH unit goals:

- Provides rental housing opportunities to chronically homeless individuals through the use of financing for the construction of SROs and multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds
- Authorizes the use of Community Development Block Grant (CDBG) and HOME funds, General Obligation Bonds and Certificates of Obligations for their approved purposes and to fund project gap requirements to the extent permissible from each funding source
- Provides residential development opportunities as part of economic development projects that include mixed-used, mixed-income and retail and commercial master plans

## ATTACHMENT A

- Allows for ad valorem tax-exemptions, donation of land and/or other City resources when available and necessary to assist in funding the gap in financing
- Developers using Dallas Housing Trust Fund financing may reserve loans for development site rather than a specific buyer
- Assistance can be in the form of a lump sum payment at closing in exchange for the execution and placement of deed restrictions on the property for a 15-year term
- An entity controlled by The Dallas Housing Finance Corporation or The Dallas Housing Authority may be the General Partner/Owner for the purpose of obtaining a 100% ad valorem tax exemption
- Encourages Public and Private Partnerships promoting revitalization and economic development initiatives that will provide residential development as part of mixed-use and mixed-income projects

### **Program Policy:**

Developers must apply for financial assistance directly from the Housing Department:

- Pre-application waiver process must be used for tax credit and tax-exempt bond financing as well as The Dallas Housing Finance Corporation final application and the Texas Department of Housing and Community Affairs tax credit applications
- A project using conventional financing and/or other City funding sources such as CDBG, HOME, and General Obligation Bonds proceeds can apply in the form of a letter proposal requesting City assistance addressed to the Housing Director. Applicants can also propose the development of public improvements using Certificate of Obligation proceeds that involve infrastructure, utilities, and projects that involve the development of City owned facilities
- Applications for proposed development of PSH, SROs and multi-family projects must include financing provisions for the cost associated with supportive services to chronically homeless individuals. Based on the availability of funding, the City may commit to funding a portion of the required supportive services costs
- For PSH Projects applying for financing for the construction of SROs and Multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds:

## ATTACHMENT A

- The applicant submits a pre-application waiver package along with an initial waiver fee of \$500 payable to the Dallas Housing Finance Corporation in addition to all other required fees for the approval process.

### **Program Funding Year:**

City assistance for the purpose of creating PSH units can be applied for all year long; however, the City begins a new funding year on October 1<sup>st</sup> of each year in accordance with its budget calendar. Projects will be considered when City resources are available.

### **Criteria Evaluation of Projects**

Housing staff will evaluate each project based on established underwriting criteria for multifamily projects applying for financial assistance and the City's approved criteria on Exhibit "A" attached

- City Manager is authorized to establish guidelines and procedures to administer this program in accordance with this Program Statement and applicable Federal, State and local regulations.

**EXHIBIT "A"**  
**Criteria for Multifamily Projects**

1. Where the proposed project fits within the City's priorities which follow in order of priority:
  - a. Demolition and reconstruction of an existing substandard multifamily development;
  - b. Rehabilitation of an existing multifamily development;
  - c. New construction of housing for special needs such as senior households, AIDS or other disabilities, youth projects, including housing for the homeless on an individual basis; or
  - d. Accept applications for tax credit financed projects for new construction of housing for low and moderate income households with a priority given to Master Plan Developments, Mixed Income Developments and Transit Developments.
2. Whether the City has already provided, or committed to provide, direct financial assistance to the project.
3. Whether the project involves the elimination of slum or blight already existing on the subject property.
4. Whether the site has appropriate zoning for the project.
5. The proximity and capabilities of nearby schools, and comments of school district officials regarding the project.
6. The comments of owners and residents of properties located in the surrounding area at a public meeting held in the community in which the project will be located, attended by City of Dallas or Dallas Housing Finance Corporation representatives.
7. Whether there is already an over-concentration of multifamily development in the surrounding area.
8. Whether the applicant has agreed to incorporate appropriate safety and security features into the project.
9. Whether the applicant has responded to and/or plans to address the lawful concerns, if any, raised by residents or owners of properties in the surrounding area.
10. Whether the proposed project will be of high quality.
11. Whether the applicant has taken into consideration, in the project design, the standard or specialized needs of expected tenants.

12. Whether the proposed project will have an adverse effect on the surrounding area.
13. Whether the project is compatible with existing or anticipated single-family developments in the surrounding area.
14. Whether the estimated parking demand and trip generation for the project will impose an undue burden on public facilities.
15. Whether the current and probable future capacities of adjacent and nearby streets on the City's thoroughfare plan are adequate to address any anticipated changes caused by the project.
16. Whether there is existing or proposed adequate public transit available.
17. Whether the location, density and height of the buildings, structures, and equipment will be detrimental or injurious to future development of the surrounding area or otherwise impose an undue burden on public facilities.
18. Whether trees will be planted or protected and other landscaping provided to create, preserve, and enhance the natural beauty and vegetative space in the vicinity of the project.
19. Whether managers of the project will reside on site.
20. Whether the Applicant has demonstrated the financial capacity to complete and operate the project.
21. Whether the proposed project's rental market has the ability to absorb the proposed additional rental units.
22. Proposed financing for the construction of Single Room Occupancy (SROs) and multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds requires that if two or more new projects are proposed within a mile of each other, whether either or any of the projects:
  - a. Contributes to the rehabilitation or elimination of substandard housing;
  - b. Provides a significantly lower density of units per acre; or
  - c. Provides revenues for the creation or support of additional affordable housing.



23. Whether the Applicant has presented a suitable development plan for the entire development site, including property acquired by the Applicant in excess of that to be developed specifically for the project.
24. Whether there exists any other factor relevant to the issue of whether the project is in the best interest of the City of Dallas.